

Memorandum

Date: May 25, 2012

To: John Kovash, Mayor
Members, West Linn City Council

From: Chris Jordan, City Manager 

Subject: Miscellaneous Items

Request for Proposals for Banking Services

Chief Financial Officer Richard Seals provides the following update on the City's banking services contract:

West Linn Finance and Milwaukie Finance issued respective RFPs for Banking Services during the month of May. Best of financial practices suggests that RFPs should be issued every five years for financial services to include banking services. As you may imagine, actually changing banks is a quite involved project for any Finance Department, but at the very least, banks will sharpen their pencils on banking fees. When interest rates used to be in the 3 to 4 percent range, interest credits on deposit balances used to offset most all banking fees. However, banking interest rates today are under 1 percent resulting in banking fees sometimes as high as \$10,000 per month.

Banking services range from online banking software, Positive Pay, P-cards, AP check clearing, Payroll check clearing, and lockbox services. In West Linn, it has been 4 years since creating the lockbox in Bend with the Bank of Cascades and we now feel it may be a good time to change that to a more local address closer to the Portland Area. As you may recall, with close to \$9 million in utility payments coming in every month, we set up a lockbox so that these payments go directly into a bank without going through the Finance Department.

Our main bank is currently Bank of America, but we continue to try and utilize our local community bank of PacWest where we can. We would even like to extend our main banking services to them, however, they are not big enough to part of the State pool of insured banks which carry deposit insurance up to \$5 million. Which means PacWest insurance on deposits is only through FDIC at \$250,000 making it too risky to carry the main portion of the City's banking business.

Business License Amnesty Proposal

As part of our efforts to take the lead in economic development activities, staff has been researching various business license amnesty programs that may allow for businesses to receive a license without charge from the city. The same could be true for receiving a home occupation license. (Portland recently adopted a business tax amnesty.) Providing programs such as this on a temporary basis may allow the City to build a more comprehensive data base of businesses which could be very beneficial to our new Economic Development Director.

This program is likely to come to the Council in June for review.

Council Schedule

The Council will not be meeting the week of May 28-June 1. The Council will meet in a work session on June 4 which will include a brief update on the status of Lake Oswego-Tigard water project.